



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

April 30, 2014

MEMORANDUM

To: Representative Kaufert

From: Marc E. Shovers, Managing Attorney, (608) 266-0129

Subject: Technical Memorandum to **2013 AB 928** (LRB-4419/1) **by DOR**

We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

April 30, 2014

TO: Marc Shovers
Legislative Reference Bureau

FROM: Mike Wagner
Department of Revenue

SUBJECT: Technical Memorandum on Assembly Bill 928: Relating to Creating a Refundable Individual Income Tax Credit for Tuition Expenses Paid for Dependents Who Attend Certain Private Elementary and Secondary Schools, and Charter Schools

The Department has the following concerns related to the bill:

The definition for "tuition" refers to "a pupil's tuition to attend an eligible institution." It is unclear if this is meant to include or exclude mandatory fees. It should be clarified whether any fees are included in the definition of "tuition."

If an individual is an elementary pupil and a secondary pupil in the same taxable year, only the credit for one grade may be claimed under the bill. For example, if tuition of \$250 was paid in January for 8th grade and an additional \$250 of tuition was paid in September for 9th grade, only \$250 could be claimed for the year relating to either the elementary or secondary school tuition. If the pupil was instead in 9th grade for the entire year and paid \$250 for each semester, a \$500 credit could be claimed. A potentially more equitable alternative would be to allow both the elementary and secondary tuition amounts to count towards the \$500 limit when individuals are elementary pupils and secondary pupils in the same taxable year. This would allow the claimant in the above example to claim \$500.

If you have any questions regarding this technical memorandum, please contact Brad Caruth at (608) 261-8984 or bradley.caruth@revenue.wi.gov.

cc: Representative Kaufert